

FREE TRADE AREA OF THE AMERICAS TAKES SHAPE

The North American Free Trade Agreement performed the feat of linking two developed countries with one developing one. And it worked. Now the focus is on an even more ambitious undertaking.

Some countries might be satisfied with the creation of a multilateral trading arrangement like the North American Free Trade Agreement. But not Canada.

"Strengthening North America's economic space—and, more specifically, Canada–U.S. relations—is our top priority," says Len Edwards, Deputy Minister for International Trade. But he adds, "We continue to push ahead on regional and multilateral fronts. Building on our successes, we have been encouraged to broaden trade liberalization through economic integration within the Free Trade Area of the Americas [FTAA]."

In December 1994 in Miami, the first Summit of the Americas set out the vision of a hemisphere-wide free trade area. At the April 1998 summit in Santiago, Chile, leaders of the 34 democratic countries of the Americas launched negotiations on achieving that vision.

The proposed FTAA is an integral part of the broader Summit of the Americas process. Since 1994, this has led Canada and its hemispheric partners to work closely together on improving human rights, strengthening democracy, enhancing economic opportunities and—most important—bettering the lives of all their citizens.

"The FTAA is about enhancing economic opportunities," says Deputy Minister Edwards. "It will open more markets to Canadian goods and expertise, and will contribute to economic growth throughout the hemisphere."

The goal, he says, is to create the world's largest free trade area by 2005, a hemispheric marketplace with boundless prospects. Today, this region boasts 828 million people, generating 40.7 percent of the world's wealth. Its combined GDP is \$19.7 trillion.

Canada already has a significant presence: Trade with the Americas was \$594.9 billion in 2002. But an FTAA agreement would be a tremendous boost for Canadian business, yielding multiple gains.

Rules being negotiated in the FTAA discussions will help Canadian farmers, investors and high-tech exporters alike seize opportunities in a region where many markets are still relatively unknown to Canadians.

According to the Minister for International Trade Pierre Pettigrew, 2002 was a landmark year for meeting Canada's key objectives. "With our partners, we moved closer toward consensus on an integrated draft text of the eventual FTAA agreement," he says. "We continued to make the FTAA Committee on the Participation of Civil Society an ever more effective instrument for fostering citizen participation in the FTAA process. And we achieved greater transparency in the FTAA process, enhancing the public's access to information."

More openness

At their November 2002 meeting in Quito, Ecuador, hemispheric trade ministers agreed to publicly release

the second version of the FTAA draft negotiating texts earlier than planned. This followed the decision, promoted by Canada at the 2001 FTAA Ministerial in Buenos Aires, to release the draft texts.

"Canada achieved its goals at this meeting by keeping the negotiations on track to yield benefits for Canadian exporters and consumers, as well as for the citizens of the hemisphere as a whole," says Minister Pettigrew. "The release of the latest draft FTAA texts confirms the new culture of transparency in trade negotiations, which Canada has championed."

Ministers also ensured that the FTAA negotiations will continue to contribute to the broader Summit of the Americas process, including in priority areas such as protection and conservation of the environment and promotion of labour rights. 🍁

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